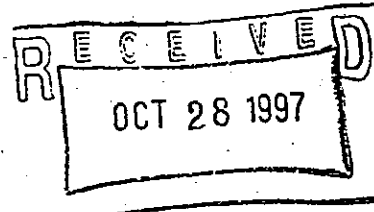


Oct. 23, 1997

Army Corps of Engineers
Fort Richardson Residence Office
P.O.Box 898
Anch, Ak. 99506-0898

Ref: DACW85-96-C-0020
Homer Spit Repair & Extension

Attn: Mr. Dave Scott / Mr. Doug Wood



Gentlemen,

Please find attached a copy of our letter to Nugget Constuction dated Oct. 20, 1997.

Spencer Rock Products, Inc. still has not received any payments from Nugget Constuction, for the Homer Spit Project since May 8, 1997. The Balance owed us is \$1,426,707.84 less some operating costs at the Spencer Quarry Site.

We will be filing under the Miller Act for the balance owed us.

Sincerely Robert A. La Pore
Robert A. La Pore, President



P.O. Box 244063, Anchorage, Alaska 99524 • (907) 563-1405 Fax (907) 563-1458